IN THE VALUATION TRIBUNAL FOR ENGLAND
IN THE MATTER OF A 2023 RATING LIST APPEAL

Case No: CHG101246816

Sitting remotely using Microsoft Teams on 08/07/2026

Date: 14 August 2026

SCHEDULE 11 TO THE LOCAL GOVERNMENT FINANCE ACT 1988

RATING — Local Government Finance Act 1988 — Warehouse and premises — Unadjusted base rate —Appeal allowed

Before:

MRS N CRAWSHAW
MR C DERRICK
MR A HETHERTON

Between:

PARK CAKES LIMITED
(REPRESENTED BY KNIGHT FRANK LLP) — **Appellant**

- and -

AMANDA HITCHINGS
(VALUATION OFFICER) — **Respondent**

Regarding:

UNIT 1 TRANSPENNINE 200, PILSWORTH ROAD, HEYWOOD, OLDHAM, OL10 2TA
(the “subject property”)

Mr R Haywood for the Appellant
Mr S Wright for the Respondent

DECISION AND STATEMENT OF REASONS

DECISION

1. The appeal is allowed.

2. The Tribunal determined a rateable value (RV) of £413,750 with effect from 1 April 2023.

STATEMENT OF REASONS

Introduction

3. This was a 2023 rating list appeal. The subject property had been entered in the 2023 rating list as “Warehouse and Premises” at an RV of £490,000 with effect from 1 April 2023. This was based on an unadjusted base rate of £52 per square meter (psm).

4. The challenge proposal was submitted by Knight Frank LLP on behalf of Park Cakes Limited and was received by the Valuation Officer (VO) on 17 July 2024. It had been made on the grounds that the RV shown in the 2023 rating list was wrong and proposed a revised RV of £345,000 based on an unadjusted base rate of £36.50 psm.

5. The VO issued a challenge case decision notice. The VO’s decision was to treat the appellant’s challenge as not well-founded and proposed no change to the rating list.

6. Mr Haywood had recently taken on the case following the departure of the previous case worker at Knight Frank. Looking at the case with a fresh set of eyes and based on his own experience, he revised the appellant’s submitted valuation prior to the hearing, based on the rent of the subject property. He now proposed a revised RV of £413,750 based on an unadjusted base rate of £46.00 psm.

7. Mr Haywood appeared on behalf of the appellant as both advocate and expert witness. In view of the Upper Tribunal’s judgment in *Gardiner & Theobald LLP v David Jackson (VO)* [2018] UKUT 0253 (LC), Mr Haywood declared that he was instructed under a conditional fee arrangement.

8. Mr Haywood understood and accepted that his duty was to the Tribunal in giving his evidence and he would comply with this regardless of whether or not the evidence supported his client’s case.

9. The Tribunal Panel accepted this expert witness evidence on the above basis as the appeal was not complex and to do otherwise would be contrary to regulation 3 (Discharge of VTE functions – general) of the procedure regulations and was allowable due to the Tribunal’s rules on admissibility of evidence (regulation 17(2)(a) where the Tribunal can admit evidence whether or not it would be admissible in a civil trial).

10. The Panel therefore considered the expert evidence and attached such weight to it as it saw fit.

11. Mr Wright appeared as both advocate and expert witness.

12. This statement of reasons is not and does not purport to be a full verbatim record of proceedings.

Background

13. The subject property was a large industrial unit, constructed in 2000, which was in the rating list as ‘warehouse and premises’. It comprised a steel portal frame industrial unit with corrugated clad elevations and a corrugated, insulated roof with integral rooflights. The property has an attached two-storey office block and car parking to the front and loading area to the side of the property. Within the warehouse is a freestanding mezzanine floor on which there is also racking. The total significant area of the subject property was 10,583.20m^2 including the mezzanine floor.

Relevant Law

The Local Government Finance Act 1988

14. Schedule 6 of the Act provides that:

    2(1) The rateable value of a non-domestic hereditament none of which consists of domestic property and none of which is exempt from local non-domestic rating shall be taken to be an amount equal to the rent at which it is estimated the hereditament might reasonably be expected to let from year to year on these three assumptions—

    (a) the first assumption is that the tenancy begins on the day by reference to which the determination is to be made;

    (b) the second assumption is that immediately before the tenancy begins the hereditament is in a state of reasonable repair, but excluding from this assumption any repairs which a reasonable landlord would consider uneconomic;

    (c) the third assumption is that the tenant undertakes to pay all usual tenant’s rates and taxes and to bear the cost of the repairs and insurance and the other expenses (if any) necessary to maintain the hereditament in a state to command the rent mentioned above.

15. In respect of an appeal against an entry in the 2023 rating list, the rental levels are to be taken as those passing at the antecedent valuation date (AVD) of 1 April 2021.

16. The material day (the date by which physical factors have to be taken into account) was provided by the Non-Domestic Rating (Material Day for List Alterations) Regulations 1992 (SI 1992 No. 556) as amended. In respect of the subject appeal, the material day is 1 April 2023.

Discussion

17. The leading judgment of *Lotus and Delta v Culverwell (VO) and Leicester City Council* [1976] RA 141, referred to by both parties, set out six propositions to be followed when considering the weighting of evidence:

    1. Where the hereditament which is the subject of consideration is actually let that rent should be taken as the starting point.
    2. The more closely the circumstances under which the rent agreed both as to time, subject matter and conditions relate to the statutory requirements contained in the definition of

gross value in s.19(6) of the General Rate Act 1967 the more weight should be attached to it.

3. Where rents of similar properties are available, they too are to be properly looked at through the eye of the valuer in order to confirm or otherwise the level of value indicated by the actual rent of the subject property.
4. Assessments of other comparable properties are relevant. When a valuation list is prepared these assessments are to be taken as indicating comparative values estimated by the Valuation Officer. In subsequent proceedings on that list therefore they can properly be referred to as giving an indication of that opinion.
5. In light of all the evidence an opinion can then be formed of the differing types of evidence depending on the one hand the nature of the actual rent, and on the other hand, on the degree of comparability found in other properties.
6. In those cases where there are no rents available of comparable properties a review of other assessments may be helpful but, in such circumstances, it would be clearly more difficult to reject the evidence of the actual rent.

18. The panel heard from the parties that there was a rent on the subject property. The passing rent was £465,734.50 per annum with effect from 6 July 2021 on a ten-year lease. This was a new letting with seven months rent-free followed by twelve months at half-rent. Rent reviews were five yearly and there was a break clause which incurred a penalty at year five, if the break was triggered.

19. Mr Haywood had devalued the rent to £403,636.57 over five years, and £423,042.17 over ten years. Over five years, he deducted four months from the rent-free period to reflect the tenant's fit-out and included the break penalty included in the lease. Mr Haywood included the mezzanine floor in the size of the subject property as it was already in-situ when the tenant took on the lease and had been rentalised. He analysed the devalued rent to £46 psm.

20. Mr Wright did not include the mezzanine floor in the size of the subject property. He had not provided an analysis of the subject rent for this appeal. He stated that the original caseworker from Knight Frank LLP had analysed the rent to £36.66 psm and he considered this to be an outlier when compared to other evidence.

21. Mr Wright referred to properties that were valued on the same valuation scheme as the subject property which had been agreed with another rating agent. He stated that the subject rent had been considered when agreeing the value of those properties and was also considered an outlier. When questioned, Mr Wright confirmed that he had been unaware of the break penalty on the subject property and this had not been included in any analysis.

22. The panel noted that the break penalty was detailed in the lease which was in the evidence bundle before it. It also considered that, while the properties that had been agreed were included in the evidence, the discussions of how these agreements were made were not part of the evidence before it and therefore could not be considered.

23. The agreements referred to by Mr Wright were Double R Controls agreed at £60 psm, Units 5&6 Broadfield Distribution Centre agreed at £54 psm, and Bobst Ltd agreed at £52 psm. These properties ranged in size from 2,264.60m^2 to 7,746.88m^2. Double R Controls and Bobst Ltd were older than the subject property, built in 1996 and 1992 respectively, and Units 5&6 Broadfield Distribution Centre was newer, built in 2006.

24. The panel first considered whether the mezzanine floor should be included in the analysis of the rent of the subject property. It found that there was value to the mezzanine floor as it was

in-situ when the tenant took the lease and based on the evidence submitted, considered that it fell to be rentalised. The subject was a ready to go unit when the lease was taken, and the tenant chose to undertake a deep clean and install a chiller unit due to the nature of its business. For this reason, the panel found that the size of the subject property had a total significant area of 10,583.20m^2.

25. The panel then reviewed the rental and assessment evidence. It placed less weight on the comparable property evidence due to the difference in sizes with the subject property. The rental evidence of other properties was of warehouses that ranged in size from 1,019.90m^2 to 3,003.00m^2, the panel found that these were not comparable due to the significant size difference.

26. When considering the evidence as a whole, the panel found that the best evidence in this case was the rent of the subject property. It was a new letting, agreed three months post AVD and was analysed to £46 psm. The panel accepted the analysis of Mr Haywood as he had included the break penalty in his analysis, and it was calculated including the mezzanine floor. The panel did not find that the comparable rental and assessment evidence was truly comparable and held little weight to persuade the panel that the rent on the subject property was an outlier or should not be relied on.

Conclusion

27. In view of the above findings and conclusions, The Tribunal Panel was satisfied that the RV of the subject property was unreasonable and determined an RV of £413,750 with effect from 1 April 2023 based on an unadjusted base rate of £46.00 psm and the revised valuation set out by Mr Haywood. Therefore, the appeal was allowed.

Floor	**Description**	**Area (m^2)**	**£/m^2**	**Value (£)**
Ground	Warehouse	2202.61	46.00	101,320
Ground	Area Under Supported Floor	2243.70	32.20	72,247
Ground	Staff Toilets	61.00	46.00	2,806
Ground	Trade Counter	33.20	55.20	1,833
Ground	Office	632.90	60.72	38,430
First	Office	632.90	60.72	38,430
First	Office	33.20	55.20	1,833
First	Office	57.60	55.20	3,180
First	Plant Room	6.00	29.90	179
Ground	Pump House	31.60	46.00	1,454
Mezzanine	Internal Storage	2203.60	23.00	50,683
Ground	Area Under Supported Floor	475.50	32.20	15,311
Mezzanine	Internal Storage	644.69	23.00	14,828
Ground	Chill Store	1324.70	52.90	70,077
Additional Features of the Property Included in the Valuation				
	Plant and machinery			1,297
			Total	**413,906**

28. The Tribunal Panel orders pursuant to Regulation 38 of the Valuation Tribunal for England (Council Tax and Rating Appeals) (England) Regulations 2009 [SI 2009 No 2269] that the respondent shall alter the 2023 rating list in respect of Unit 1 Transpennine 200, Pilsworth Road, Heywood, Oldham OL10 2TA within two weeks.

Right of further appeal

29. Any party who is aggrieved at the Tribunal's decision, and who appeared or was represented at the hearing, has a statutory right of further appeal to the Upper Tribunal (Lands Chamber) pursuant to Regulation 42 of the Tribunal Procedure Regulations. A party does not require permission to appeal from the Tribunal. Any appeal must be made directly to the Upper Tribunal (Lands Chamber) using Form T385 (Notice of appeal) within **four weeks** of the date this decision and statement of reasons was issued.

30. Further information regarding this statutory right of further appeal, and the parties' other rights, is contained in the guidance booklet "*A guide to tribunal decisions*" available on the Tribunal's website at www.valuationtribunal.gov.uk/guidance-booklets/.

Mrs N Crawshaw, Senior Member (Chair)
Mr C Derrick, Senior Member
Mr A Hetherton, Senior Member
14 August 2026

Mrs S Hodgson
Clerk to the Tribunal
Date issued to the parties: 14 August 2026